

Company Registration No 01928818 (England and Wales)

**PENTEX LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**



# PENTEX LIMITED

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# PENTEX LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2007

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The directors present their report and financial statements for the year ended 31 December 2007

#### Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture and distribution of clothing

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company make use of money market facilities where funds are available

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due

#### Results and dividends

The results for the year are set out on page 4

An interim ordinary dividend was paid amounting to £600,000. The directors do not recommend payment of a final dividend

#### Future developments

The directors consider the company is well placed to develop its activities in the foreseeable future

#### Directors

The following directors have held office since 1 January 2007

S Iyikan

S Zeki

#### Charitable donations

2007  
£

2006  
£

During the year the company made the following payments  
Charitable donations

950

800

#### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Arram Berlyn Gardner be reappointed as auditors of the company will be put to the Annual General Meeting

# PENTEX LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2007**

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### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S Zeki

Director

25 SEPTEMBER 2008

# **PENTEX LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO PENTEX LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of Pentex Limited for the year ended 31 December 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

### **Basis of audit opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

**Arram Berlyn Gardner**

Chartered Accountants  
Registered Auditor



26 September 2008

30 City Road  
London  
EC1Y 2AB

# PENTEX LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
<b>Gross profit</b>		3,480,268	2,520,631
Administrative expenses		(1,265,440)	(786,097)
<b>Operating profit</b>	<b>2</b>	2,214,828	1,734,534
Investment income	<b>3</b>	315	199
Other interest receivable and similar income		66,326	9,365
Interest payable and similar charges	<b>4</b>	(9,102)	(293)
<b>Profit on ordinary activities before taxation</b>		2,272,367	1,743,805
Tax on profit on ordinary activities	<b>5</b>	(678,159)	(523,527)
<b>Profit for the year</b>	<b>14</b>	1,594,208	1,220,278

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# PENTEX LIMITED


## ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Tangible assets	7		116,377		104,630
<b>Current assets</b>					
Stocks	8	949,602		369,486	
Debtors	9	3,105,795		1,474,758	
Investments	10	7,301		6,749	
Cash at bank and in hand		713,105		1,437,834	
		<u>4,775,803</u>		<u>3,288,827</u>	
<b>Creditors amounts falling due within one year</b>	11	<u>(2,236,614)</u>		<u>(1,732,099)</u>	
<b>Net current assets</b>			<u>2,539,189</u>		<u>1,556,728</u>
<b>Total assets less current liabilities</b>			<u>2,655,566</u>		<u>1,661,358</u>
<b>Capital and reserves</b>					
Called up share capital	13		1,000		1,000
Profit and loss account	14		<u>2,654,566</u>		<u>1,660,358</u>
<b>Shareholders' funds</b>	15		<u>2,655,566</u>		<u>1,661,358</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board and authorised for issue on 25 SEPTEMBER 2008

  
S Iyikan  
Director  
25.9.08

  
S Zeki  
Director

# PENTEX LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
£	£	£
<b>Net cash inflow from operating activities</b>	512,024	2,230,457
<b>Returns on investments and servicing of finance</b>		
Interest received	66,326	9,365
Interest paid	(9,102)	(293)
<b>Net cash inflow for returns on investments and servicing of finance</b>	57,224	9,072
<b>Taxation</b>	(645,985)	(242,919)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(47,992)	(67,192)
<b>Net cash outflow for capital expenditure</b>	(47,992)	(67,192)
<b>Equity dividends paid</b>	(600,000)	(750,000)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>	(724,729)	1,179,418
<b>Management of liquid resources</b>		
Bank deposits	600,000	(600,000)
	600,000	(600,000)
<b>(Decrease)/increase in cash in the year</b>	<u>(124,729)</u>	<u>579,418</u>



# PENTEX LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007	2006
		£	£
	Operating profit	2,214,828	1,734,534
	Depreciation of tangible assets	36,245	24,566
	(Profit)/loss on investments (unrealised)	(552)	1,238
	(Increase)/decrease in stocks	(580,116)	75,570
	(Increase)/decrease in debtors	(1,628,935)	74,516
	Increase in creditors within one year	470,554	320,033
	<b>Net cash inflow from operating activities</b>	<b>512,024</b>	<b>2,230,457</b>

2	Analysis of net funds	1 January 2007	Cash flow	Other non-cash changes	31 December 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	837,834	(124,729)	-	713,105
	Liquid resources				
	Current asset investments	6,749	552	-	7,301
	Bank deposits	600,000	(600,000)	-	-
	<b>Net funds</b>	<b>1,444,583</b>	<b>(724,177)</b>	<b>-</b>	<b>720,406</b>

3	Reconciliation of net cash flow to movement in net funds	2007	2006
		£	£
	(Decrease)/increase in cash in the year	(124,729)	579,418
	Cash inflow/(outflow) from decrease/(increase) in liquid resources	(599,448)	598,762
	<b>Movement in net funds in the year</b>	<b>(724,177)</b>	<b>1,178,180</b>
	Opening net funds	1,444,583	266,403
	<b>Closing net funds</b>	<b>720,406</b>	<b>1,444,583</b>

# PENTEX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2007

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	20% reducing balance
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	20% straight line

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

#### 1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value

#### 1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value

#### 1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# PENTEX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2007

<b>2</b>	<b>Operating profit</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging		
	Depreciation of tangible assets	36,245	24,566
	Loss on investment (unrealised)	-	1,238
	Loss on foreign exchange transactions	8,512	382
	Operating lease rentals	144,052	106,031
	Auditors' remuneration	16,000	15,000
	and after crediting		
	Profit on investment (unrealised)	(552)	-
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Investment income</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	315	199
	Bank interest	66,326	9,365
		<u>          </u>	<u>          </u>
		66,641	9,564
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	5,087	293
	On overdue tax	4,015	-
		<u>          </u>	<u>          </u>
		9,102	293
		<u>          </u>	<u>          </u>

# PENTEX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

5	Taxation	2007 £	2006 £
	<b>Domestic current year tax</b>		
	U K corporation tax	683,961	523,527
	Adjustment for prior years	(5,802)	-
	<b>Current tax charge</b>	<u>678,159</u>	<u>523,527</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>2,272,367</u>	<u>1,743,805</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>681,710</u>	<u>523,142</u>
	Effects of		
	Non deductible expenses	3,934	6,341
	Depreciation add back	10,874	7,370
	Capital allowances	(12,462)	(13,266)
	Adjustments to previous periods	(5,802)	-
	Dividends and distributions received	(95)	(60)
		<u>(3,551)</u>	<u>385</u>
	<b>Current tax charge</b>	<u>678,159</u>	<u>523,527</u>
6	<b>Dividends</b>	<b>2007 £</b>	<b>2006 £</b>
	Ordinary interim paid	<u>600,000</u>	<u>750,000</u>

# PENTEX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2007	181,116	73,424	27,952	282,492
Additions	41,125	6,867	-	47,992
At 31 December 2007	222,241	80,291	27,952	330,484
<b>Depreciation</b>				
At 1 January 2007	112,068	57,295	8,499	177,862
Charge for the year	27,755	4,599	3,891	36,245
At 31 December 2007	139,823	61,894	12,390	214,107
<b>Net book value</b>				
At 31 December 2007	82,418	18,397	15,562	116,377
At 31 December 2006	69,048	16,129	19,453	104,630

### 8 Stocks and work in progress

	2007 £	2006 £
Raw materials and consumables	20,000	25,000
Work in progress	841,043	259,399
Finished goods and goods for resale	88,559	85,087
	949,602	369,486

# PENTEX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

9 Debtors	2007	2006
	£	£
Trade debtors	1,948,079	1,391,850
Corporation tax	18,499	16,712
Other debtors	1,077,548	32,774
Prepayments and accrued income	61,669	33,422
	<u>3,105,795</u>	<u>1,474,758</u>
10 Current asset investments	2007	2006
	£	£
Listed investments	<u>7,301</u>	<u>6,749</u>
11 Creditors amounts falling due within one year	2007	2006
	£	£
Trade creditors	1,323,921	1,026,063
Corporation tax	557,488	523,527
Other taxes and social security costs	83,106	65,241
Directors' current accounts	5,076	-
Accruals and deferred income	<u>267,023</u>	<u>117,268</u>
	<u>2,236,614</u>	<u>1,732,099</u>
12 Pension costs		
Defined contribution		
	2007	2006
	£	£
Contributions payable by the company for the year	<u>4,800</u>	<u>4,800</u>

# PENTEX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

<b>13 Share capital</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 Ordinary of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>14 Statement of movements on profit and loss account</b>		<b>Profit and loss account £</b>
Balance at 1 January 2007		1,660,358
Profit for the year		1,594,208
Dividends paid		(600,000)
		<u>          </u>
Balance at 31 December 2007		2,654,566
		<u>          </u>
<b>15 Reconciliation of movements in shareholders' funds</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,594,208	1,220,278
Dividends	(600,000)	(750,000)
	<u>          </u>	<u>          </u>
Net addition to shareholders' funds	994,208	470,278
Opening shareholders' funds	1,661,358	1,191,080
	<u>          </u>	<u>          </u>
Closing shareholders' funds	2,655,566	1,661,358
	<u>          </u>	<u>          </u>

### 16 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	<b>Land and buildings</b>
	<b>2007</b>
	<b>£</b>
Operating leases which expire	
Between two and five years	142,000
	<u>          </u>

# PENTEX LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

17 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	314,779	69,800
Company pension contributions to money purchase schemes	4,800	4,800
	<u>319,579</u>	<u>74,600</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	172,367	-
Company pension contributions to money purchase schemes	2,400	-
	<u>174,767</u>	<u>-</u>

## 18 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Administration	10	9
Design and production	19	13
Directors	2	2
	<u>31</u>	<u>24</u>

### Employment costs

	2007 £	2006 £
Wages and salaries	1,019,221	543,582
Social security costs	111,447	66,482
Other pension costs	4,800	4,800
	<u>1,135,468</u>	<u>614,864</u>